

Service Date: May 19, 1989

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER Of MOUNTAIN BELL's)	
Request To Revise The Montana)	UTILITY DIVISION
Exchange and Network Services)	DOCKET NO. 88.4.8
Tariff.)	ORDER NO. 5403
_____)	

FINDING OF FACT

On April 28, 1988, Mountain Bell (US West Communications) filed proposed tariff revisions to its Montana Exchange and Network Services tariff. Mountain Bell states that the purpose of the filing is to clarify the application of charges for construction of extending facilities outside the Base Rate Area and to propose the designation of a Project Area in unusual circumstances.

The Project Area designation is designed to address the extension of telephone facilities into remote developments where landowner development agreements have not occurred. Specifically, the tariffs propose that the South Hills development area, south of Helena, Montana be designated a Project Area.

In its tariff filing the Company proposes that a special Project Area fee be assessed in addition to the normal construction fees. The Project Area fee is designed to recover the cost of

installing service into the Project Area. Once the costs of service installation are recovered, the Project Area fee no longer applies. If at the end of a specified time (10 years for South Hills), the Project Area charges have not recovered 80 percent of construction costs, the Project Area is extended until 80 percent of the costs are recovered. If 80 percent, but less than 100 percent of the costs are recovered at the end of the specified time period, then the Project Area designation will no longer apply. Additionally, the tariff filing proposes that in order to qualify for a Project Area designation, 10 percent of the lots must demonstrate demand for service.

The tariff filing also addresses the administration of construction charges for the extension of facilities to serve new locations. The tariffs clarify the administration of the current 750 foot extension regarding the service path and the cumulative extension allowance when two or more parties request service jointly.

On June 9, 1988, the Commission held a public meeting to allow Mountain Bell an opportunity to explain the Project Area tariff proposal to landowners in the proposed South Hills Project Area. The Meeting was not a formal hearing, but rather an informational forum for interested parties to ask questions and express whether they would request a public hearing on the matter.

On June 13, 1988, the Commission approved the tariffs in this Docket on an interim basis. Additionally, the Commission required that Mountain Bell track the costs of the South Hills Project Area, and file a report no later than the 15th day of March

on an annual basis. Construction charges will be used to offset appropriate plan account balances for book purposes and will not be recorded as revenue in the year received.

No parties have requested intervention or a public hearing in this proceeding. Therefore, the Commission grants final approval of the interim tariffs, and finds that this Docket should be closed.

CONCLUSION OF LAW

1. Mountain Bell Telephone Company (U S West Communications) furnishes regulated telecommunications service within the State of Montana and is a "Public Utility" under the regulatory jurisdiction of the Montana Public Service Commission pursuant to section 69-3-101, MCA. The Commission has authority to supervise, regulate and control public utilities. Section 69-3-102, MCA.

2. The Commission has provided adequate public notice and an opportunity to be heard herein, pursuant to the Montana Administrative Procedure Act and Title 69 of the Montana Code Annotated.

3. The tariff approved herein contains regulations, rates and charges which are just and reasonable. Section 69-3-201, MCA.

ORDER

1. Mountain Bell's request to revise its Montana Exchange and Network Service tariffs is granted final approval.

2. Mountain Bell is required to track the costs and construction charges generated in each year for the South Hills Project Area. The Commission requires that these be used to off-

set construction costs in the Project Area and not accounted for as revenues in the year received.

3. The Commission requires that cost tracking information be provided in the form of a report to be filed with the Commission by the 15th day of March on an annual basis.

DONE AND DATED this 19th day of May, 1989 by a 4 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Ann Purcell
Acting Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.